

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4591-01  
Bill No.: HB 1879  
Subject: Retirement Systems and Benefits – Firefighters  
Type: Original  
Date: February 21, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>(\$90,000)</b>	<b>(\$90,000)</b>	<b>(\$90,000)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCP)** indicates that this legislation does represent a “substantial proposed change” in future plan benefits as defined in Section 105.660(5). Therefore, an actuarial cost statement as defined in Section 105.665 must be provided prior to final action on this legislation by either legislative body or committee thereof.

Pursuant to Section 105.670, this actuarial cost statement must be filed with 1) the Chief Clerk of the Missouri House of Representatives, 2) the Secretary of the Senate and 3) the Joint Committee on Public Employee Retirement as public information for at least five (5) legislative days before final passage of the bill.

An actuarial cost statement for this legislation has not been filed with the Joint Committee on Public Employee Retirement. It would be impossible to accurately determine the fiscal impact of this proposed legislation without the actuarial cost statement prepared in accordance with Section 105.665.

Officials with the **St. Louis Firefighters Retirement System (STLFRS)** assume the proposal would cost the City of St. Louis \$90,000 per year in increased contributions.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Costs – City of St. Louis</u>			
Increased Contributions to			
Firefighters Retirement System	<u><b>(\$90,000)</b></u>	<u><b>(\$90,000)</b></u>	<u><b>(\$90,000)</b></u>

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

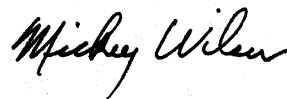
## DESCRIPTION

This proposal allows members of St. Louis Firefighters' Retirement System at age 62 with five to 20 years of service to apply for a service retirement allowance benefit. The benefit will be 2% times years of service times the average final compensation. The member must be repaid the total amount of the member's contribution, without interest. The benefit is to be paid in lieu of the refund of accumulated contributions. Survivor benefits will be 50% of the member benefit or a refund of accumulated contributions. Members will also receive a cost-of-living allowance of 5% per year for a maximum of five years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Joint Committee on Public Employees Retirement  
St. Louis Firefighters Retirement System



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Acting Director  
February 21, 2002